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EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

DD/A Registry  
82-1043

APR 12 1982

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Proposed Revision to OMB Circular No. A-119, "Federal Participation in the Development and Use of Voluntary Standards"

OMB Circular No. A-119 was issued on January 17, 1980, following several years of development. Its principal purposes were to promote Federal agency use of voluntary (or industry) standards in procurement, encourage Federal agency participation in voluntary standards developing bodies and to increase the coordination of Federal efforts in standards development. The Circular provided, in addition, that Federal participation would be limited to those voluntary standards bodies which certified to the Secretary of Commerce that they adhere to certain "due process" criteria contained in the Circular. The Circular also provided that the Secretary of Commerce was to maintain a listing of such organizations, issue implementing procedures for agency use and establish a voluntary dispute resolution service to assist in resolving procedural complaints involving voluntary standards development bodies.

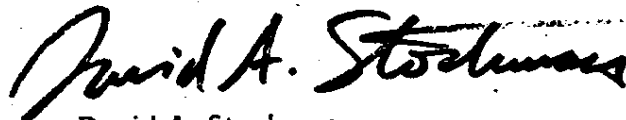
On August 12, 1981, the President's Task Force on Regulatory Relief identified the Circular as a candidate for review to assure that it did not impose unnecessary, burdensome or counterproductive requirements on the public or private sectors. We have completed an examination of the Circular in the light of this Administration's regulatory reform program and, also, in view of the many public and private sector comments received during the last several months. On the basis of that analysis, a substantial revision of the Circular has been prepared and is enclosed for your review and comment.

The draft Circular contains four major revisions, in addition to numerous clarifications and corrections. The major changes include:

- Elimination of the "due process" criteria and the requirement that voluntary standards bodies adhere to those criteria as a prerequisite to Federal participation;
- Expansion of the scope of the Circular to encourage Federal use of voluntary standards for regulatory and other purposes - not just procurement usage;
- Elimination of the provisions relating to establishment of a voluntary dispute resolution service; and
- Elimination of requirements that called upon the Secretary of Commerce to maintain a list of certifying voluntary standards bodies and to issue implementing procedures for agency use.

The effect of the proposed revisions is to remove the unnecessary strictures and burdens which the Circular had imposed on both agencies and the private sector. The Circular is no longer a major rule as defined in Executive Order 12291 since it will not have a \$100 million (or greater) effect on the economy, will not result in major increases in price or cost and will not have adverse effects on employment, investment, productivity, innovation or competition.

Please provide your comments on the draft revision to OMB Circular No. A-119 to Mr. Donald E. Sowle, Administrator for Federal Procurement Policy, Office of Management and Budget, within sixty days. Inquiries should be addressed to Mr. David F. Baker of the Office of Federal Procurement Policy, Office of Management and Budget, at 395-7207.

A handwritten signature in black ink, reading "David A. Stockman". The signature is fluid and cursive, with the first name "David" being particularly prominent.

David A. Stockman  
Director

Attachment



OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

CIRCULAR NO. A-119  
REVISED

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Federal Participation in the Development and Use of  
Voluntary Standards

1. Purpose. This Circular establishes policy to be followed by executive branch agencies in working with organizations which plan, develop, produce, or coordinate voluntary standards for materials, products, systems, services, processes, and practices. It also establishes policy to be followed by executive branch agencies in adopting and using such standards.

2. Rescissions. This Circular supersedes OMB Circular No A-119, subject as above, dated January 17, 1980, which is rescinded.

3. Background. The Federal Government performs many functions which involve the use of products and services that depend upon reliable standards. Many standards for such products and services, appropriate or adaptable for the Government's purposes, are developed and are available from certain private organizations, known as voluntary standards bodies. Federal participation in the standards-related activities of these voluntary bodies provides incentives and opportunities to establish standards that serve national needs. In addition, it is anticipated that Federal adoption of voluntary standards, whenever practicable and appropriate, will reduce the cost of developing and using standards and, thereby, will serve the public interest. Federal adoption of such standards, moreover, is consistent with, and in furtherance of, the Federal Government's general policy of relying upon the private sector to supply Government needs for goods and services, as enunciated in OMB Circular No. A-76.

4. Coverage. This Circular applies to all executive branch agency participation in voluntary standards activities, both

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domestic and international, but does not apply to United States participation in multinational standards activities pursuant to treaties and international standardization agreements.

5. Definitions. As used in this Circular:

a. Executive agency (hereinafter referred to as "agency") means an executive department, independent commission, board, bureau, office, agency, Government-owned or controlled corporation or other establishment of the Federal Government, including regulatory commission or board. It does not include the legislative or judicial branches of the Federal Government.

b. Standard means a prescribed set of rules, conditions, or requirements concerned with the definition of terms; classification of components; delineation of procedures; specification of dimensions, materials, performance, design, or operations; measurement of quality and quantity in describing materials, products, systems, services, or practices; or descriptions of fit and measurement of size.

c. Voluntary standards are established generally by private sector bodies and are available for use by any person or organization, private or governmental. The term includes what are commonly referred to as "industry standards" as well as "consensus standards" but does not include professional standards of personal conduct, institutional codes of ethics, private standards of individual firms, or standards mandated by law, such as those contained in the United States Pharmacopeia and the National Formulary, as referenced in 21 U.S.C. 351.

d. Government standards include in-house and agency standards and specifications as well as Federal and Military standards and specifications.

e. Voluntary standards bodies are nongovernmental bodies which are multi-member, domestic and multinational organizations including, for example, nonprofit organizations, industry and other associations, professional and technical societies, institutes, groups and recognized test laboratories which develop, establish, or coordinate voluntary standards.

f. Standards-developing groups are committees, boards, or any other principal subdivisions of voluntary standards bodies, established by such bodies for the purpose of developing, revising, or reviewing standards and which are bound by the procedures of those bodies.

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g. Secretary means the Secretary of Commerce or that Secretary's designee.

6. Policy. It is the general policy of the Federal Government in its procurement and regulatory activities to:

a. Rely on voluntary standards both domestic and international whenever feasible and consistent with law and regulation pursuant to law;

b. Participate in voluntary standards bodies when such participation is in the public interest and is compatible with agencies' missions, authorities, priorities, and budget limitations; and

c. Coordinate agency participation in voluntary standards bodies so that (1) the most effective use is made of Federal agency resources and representatives; and (2) the views expressed by such representatives are in the public interest and, as a minimum, do not conflict with the interests and established views of Federal agencies.

7. Policy Guidelines. In implementing the policy established by this Circular, agencies should recognize the positive contribution of standardization and related activities. When properly conducted, standardization can increase productivity and efficiency in industry, expand opportunities for international trade, conserve resources, and improve health and safety. It also must be recognized, however, that these activities, if improperly conducted, could suppress free and fair competition, impede innovation and technical progress, exclude safer and less expensive products, or otherwise adversely affect trade, commerce, health, or safety. Full account shall be taken of the impact on the economy, applicable Federal laws, policies, and national objectives including, for example, laws and regulations relating to antitrust, national security, small business, product safety, environment, and conflicts of interest. It should also be noted, however, that the provisions of this Circular are not intended to create delay in the administrative process or provide new grounds for judicial review. The following policy guidelines are established to assist and govern implementation of the policy enunciated in paragraph 6.

a. Reliance on Voluntary Standards.

(1) Voluntary standards that will serve agencies' purposes and are consistent with applicable laws and regulations

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should be adopted, in whole or in part, and used by Federal agencies in the interests of greater economy and efficiency, unless they are specifically prohibited by law from doing so.

(2) Voluntary standards should be given preference over in-house standards in the absence of mandatory Government standards unless use of such voluntary standards would result in impaired functional performance, unnecessary cost to the Government or the Nation, anticompetitive effects or other significant disadvantages. Agencies responsible for developing Government standards should periodically review their existing standards and cancel those for which an adequate and appropriate voluntary standard can be substituted.

(3) In adopting and using voluntary standards, preference should be given to those based on performance criteria when such criteria may reasonably be used in lieu of design, material, or construction criteria.

(4) Voluntary standards adopted by Federal agencies will be cited, along with their dates of issuance and source of availability, in appropriate publications, regulatory orders, and related in-house documents.

(5) Agencies will not be inhibited, if within their statutory authorities, from developing and using Government standards in the event that voluntary standards bodies cannot or do not develop a standard needed by, and acceptable to, these agencies or do not do so in a timely fashion. Nor shall the policies contained in this Circular be construed to commit any agency to the use of a voluntary standard which, after due consideration, is, in its opinion, inadequate, does not meet statutory criteria, or is otherwise inappropriate for the agency concerned.

b. Participation in Voluntary Standards Bodies.

(1) Participation by knowledgeable Federal employees in the standards activities of voluntary standards bodies and standards-developing groups should be actively encouraged and promoted by Federal agency officials when such participation is consistent with the provisions of paragraph 6b.

(2) Federal employees who, at Government expense, participate in standards activities of voluntary standards bodies and standards-developing groups will do so as Federal agency

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representatives and, as such, must be authorized to participate by appropriate agency officials.

(3) Federal agency participation in voluntary standards bodies and standards-developing groups will not, of itself, connote agency agreement with, or endorsement of, decisions reached by such bodies and groups or of standards approved and published by voluntary standards bodies.

(4) Participation by Federal agency representatives should be aimed at contributing to the development of voluntary standards which will eliminate the necessity for development of Government standards.

(5) Federal agency representatives serving as members of standards-developing groups should participate actively and on a basis of equality with private sector representatives in the standards activities of those groups. In doing so, Federal representatives should not seek to dominate such groups. Active participation is intended to include full involvement in discussions and technical debates, registering of opinions and, if selected, serving as chairpersons or in other official capacities on such groups. Federal agency representatives may vote at each stage of standards development unless specifically prohibited from doing so by the head of the agency or that official's designee.

(6) The number of individual Federal agency participants in a given voluntary standards activity shall be kept to the minimum required for effective presentation of the various program, technical, or other concerns of Federal agencies.

(7) The providing of Federal support to a voluntary standards activity shall be limited to that which is clearly in furtherance of an agency's mission and responsibility. Normally, the total amount of Federal support given shall be no greater than that of all non-Federal participants in that activity except where it is in the direct and predominant interest of the Federal Government to develop a needed standard or revision thereto and such development appears unlikely to occur in the absence of such Federal support. The form of agency support, subject to legal and budgetary authority, may include:

(a) Direct financial support; e.g., grants, sustaining memberships, and contracts;

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(b) Administrative support; e.g., travel costs, hosting of meetings, and secretarial functions;

(c) Technical support; e.g., cooperative testing for standards evaluation and participation of agency personnel in the activities of standards-developing groups; and

(d) Joint planning with voluntary standards bodies to facilitate a coordinated effort in resolving priority standardization problems.

(8) Participation by Federal agency representatives in the policymaking process of voluntary standards bodies is encouraged -- particularly in matters such as establishing priorities, developing procedures for preparing, reviewing, and approving standards, and creating standards-developing groups. In order to maintain the private, nongovernmental nature of such bodies, however, Federal agency representatives should refrain from decisionmaking involvement in the internal day-to-day management of such bodies (e.g., selection of salaried officers and employees, establishment of staff salaries and administrative policies).

(9) This Circular does not provide general guidance concerning the internal operating procedures that may be applicable to voluntary standards bodies because of their relationships to agencies under this Circular. Agencies should, however, carefully consider what laws or rules may apply in a particular instance because of these relationships. For example, these relationships may involve the Federal Advisory Committee Act, as amended (5 U.S.C. App. 1), or a provision of an authorizing statute for a particular agency. Agencies are best able to determine what laws and policies should govern particular relationships and to assess the extent to which competition may be enhanced and cost-effectiveness increased. Matters relating to anti-trust implications of such relationships may be addressed to the Attorney General.

## 8. Responsibilities.

### a. The Secretary will:

(1) Coordinate and foster executive branch implementation of the policy in paragraph 6, and may provide administrative guidance to assist agencies to implement sections 8.b.(3) and 8.b.(5) of this Circular;

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(2) Establish an interagency mechanism to assist in implementing the policy contained herein. That mechanism shall ensure that the views of all affected executive branch agencies are considered;

(3) Establish and maintain current, with the cooperation of Federal agencies, a register of all voluntary standards activities in which Federal agencies participate;

(4) Establish and maintain current, a comprehensive and consolidated listing, cross-referenced by subject, of standards developed by voluntary standards bodies and by Federal agencies. Such listing of standards developed by bodies other than Federal agencies shall not necessarily constitute Government endorsement thereof; and

(5) Report to the Office of Management and Budget concerning agency implementation of this Circular.

b. The heads of executive agencies concerned with standards and standardization activities will:

(1) Implement the policy in paragraph 6 of this Circular in accordance with the policy guidelines in paragraph 7 within 120 days of the issuance of this Circular;

and ensure

(2) Establish appropriate procedures by which agency representatives participating in voluntary standards bodies and standards-developing groups will, to the extent possible, ascertain the views of the agency on matters of paramount interest and will, as a minimum, express views which are not inconsistent or in conflict with established agency views;

(3) Endeavor, when two or more agencies participate in a given voluntary standards body or standards-developing group, to coordinate the views of their respective agencies on matters of paramount importance so as to present a single, unified position reflective of the public interest. In instances where agreement is not reached by the affected agencies, such agencies will notify the Secretary who shall designate a lead agency. The lead agency will be responsible for developing a unified position on the important matter at issue. In so doing, that designated lead agency will consider carefully the views of the other participating Federal agencies;

(4) Cooperate with the Secretary in carrying out his responsibilities under this Circular; and

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(5) Consult with the Secretary in the development and issuance of agency regulations implementing this Circular, and submit, in response to the request of the Secretary, reports on the status of agency interaction with voluntary standards bodies.

9. Reporting Requirements. Three years from the date of issuance of this Circular, and each third year thereafter, the Secretary will submit to the Office of Management and Budget a brief, summary report on the status of Federal interaction with voluntary standards bodies. As a minimum, the report will include the following information:

a. The nature and extent of Federal agency participation in, and support of, voluntary standards bodies; and

b. An evaluation of the effectiveness of the policy promulgated in this Circular and recommendations for change or modification, as appropriate.

10. Policy Reviews. The policies contained in this Circular shall be reviewed for effectiveness by the Office of Management and Budget three years from the date of issuance.

11. Inquiries. For information concerning this Circular, contact the Office of Management and Budget, Office of Federal Procurement Policy, telephone 202/395-7207.

SECRET

Director

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## REMARKS

I believe we concluded that the current version of OMB Circular No. A-119, which we sent to you in February 1980, was of little or no interest or concern to the Agency. OMB now proposes to revise this Circular, and has provided the attached draft for comments. We defer to the D/L on whether this is something we (the Agency) should consider and, if appropriate, provide comments. It would appear to us that the Agency would not want to get involved with this. Any reaction?

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